

RETIREMENT BENEFIT TRUST OF ST. MARY'S COUNTY (Friday, August 28, 2020)

Generated by Michelle Rance on Tuesday, September 1, 2020

Due to COVID19 and social distancing guidelines, WebEx video conferencing was added so that the Asset Strategy Partners could attend remotely.

1. 9:36 am CALL TO ORDER**2. ROLL CALL****Members present:**

Dr. Rebecca Bridgett, County Administrator
Michael L. Hewitt, Commissioner Member (attended via WebEx)
Jeannett Cudmore, Chief Financial Officer
Catherine Pratson, Human Resources Director (attended via WebEx)
Mary Ann Murray, Community Representative

Others Present:

Jody Quasney, Finance Deputy Director
David Saunders, Asset Strategy (attended via WebEx)
Ed Boyer, Asset Strategy (attended via WebEx)
Michelle Rance, Administrative Recorder

A. Motion to Accept the Agenda for August 28, 2020**Motion to accept the agenda.**

Motion by Jeannett Cudmore, second by Mary Ann Murray. Final Resolution: Motion Carries
Yea: Mary Ann Murray, Commissioner Michael L Hewitt, Jeannett Cudmore, Dr Rebecca Bridgett, Catherine Pratson

B. Motion to Approve Meeting Minutes of June 5, 2020**Motion to approve the meeting minutes for the June 5, 2020 meeting.**

Motion by Commissioner Michael L Hewitt, second by Mary Ann Murray. Final Resolution: Motion Carries
Yea: Mary Ann Murray, Commissioner Michael L Hewitt, Jeannett Cudmore, Dr Rebecca Bridgett, Catherine Pratson

3. PRESENTATION**A. Asset Strategy Portfolio Quarterly Update - June 30, 2020**

David Saunders presented the portfolio update. Discussed the general market changes for the quarter ending June 30, 2020 referencing the St. Mary's County Retirement Trust: Quarterly Investment Analysis. He began on page five noting the contrast from the 1st quarter; specifically, the big draw down in the equity markets in the last week of March. The Equity market

experienced strong returns. The portfolio benefited from the actions taken by the Federal Reserve, actions by Central banks around the world, and the stimulus package. Turned to the Total Fund Allocation on page eight. All the allocations are within their policy ranges. Cash levels continue to be high at 4.4%. Commissioner Hewitt asked how far we should take cash down? Ed stated since we will continue to have capital calls over the next few months and the news that the markets are over-valued and the few stocks that are driving the indices are really over-valued right now, they recommend continuing to wait before deploying any actions. However, if they had to quantify, about \$2M would be the target. Reviewed page ten, the quarterly and annualized returns over the last 6 years is strong compared to the benchmark. Looking at the annualized returns for 6 years the portfolio is at 6.8% with a 6% peer ranking, which is in line with actuarial target for long-term returns. Concluded his presentation on page twelve reviewing the sharp ratio at 3 years and 5 years which is the level of return compared to the unit of risk. Asset Strategies remains conscious of the level of risk maintained in the portfolio.

Ed Boyer began his presentation with the review of pages thirteen through eighteen which is a clearer picture of the percentile ranking and the relationship of return of the total fund that David reviewed. Ed went through each of the funds noting performance and trend data.

Lastly, looking at the market value update - the market continues to do well with the portfolio value going from \$89M to \$94M. David reviewed the areas where the fund is overweight and underweight. May consider reducing the allocation target in Real Estate as they feel that in this current market it doesn't make a lot of sense to keep the target at the current level. Thus, they will look at taking it down slightly and where they can increase allocations elsewhere.

Motion to accept the Asset Strategy Quarterly Report for June 30, 2020

Motion by Mary Ann Murray, second by Commissioner Michael L Hewitt. Final Resolution: Motion Carries

Yea: Mary Ann Murray, Commissioner Michael L Hewitt, Jeannett Cudmore, Dr Rebecca Bridgett, Catherine Pratson

B. Decision on ABR Chesapeake Fund VI ("Fund") Restructure Request

Ed provided a verbal update on the Fund as final documents are not available. He said ABR had bought 5 properties pre-pandemic, and 4 out of the 5 are performing well. As a result, the managers received negative feedback from prospective investors. With this negative feedback they decided to create 2 funds, one would be Fund 6A which includes the existing 5 properties. Fund 6B would be created for new investors and not include the 5 properties in Fund 6A. Ed said that they should know by the 3rd week of September and be able to share the summary and recommendation on this fund with the board. Dr. Bridget said that an email will go out to the board members to find a time that will work for everyone to reconvene for this purpose.

4. COMMITTEE REPORTS

A. Plan Administrator Report for August 28, 2020

Jody Quasney reported the following:

- **Capital Calls - Transfer of Funds since last meeting: Transactions Totaling \$558,256.75**
 - ABR Chesapeake Investors VI LP \$140,000
 - Accolade Partners Growth I, LP \$37,500
 - Crestline Opportunity Fund III LL - \$59,312
 - Elmtree US Net Lease Fund IV, LP \$90,705.12
 - FCP Fund IV Trust \$60,119.20
 - Greenspring Opportunities V LP \$26,000
 - Greenspring Secondaries Fund III, LP \$24,000
 - JMI Equity Fund IX-A., LP \$102,000
 - Multi-Alt Opp Fd A WF AS SEC PTY \$18,620.43
- **Administrative – Transfer of Funds since last meeting: Transactions Totaling \$18,425**
 - Second quarter 2020 invoice to Asset Strategy - \$18,425
- **Future Meeting Calendar:**
 - December 4, 2020

Motion to accept the Plan Administrator's Report August 28, 2020

Motion by Jeannett Cudmore, second by Mary Ann Murray. Final Resolution: Motion Carries
Yea: Mary Ann Murray, Commissioner Michael L Hewitt, Jeannett Cudmore, Dr Rebecca Bridgett, Catherine Pratson

5. OLD BUSINESS

A. Consolidated Investment Manager RFP Update

Catherine Pratson report that the responses to the consolidated investment manager RFP were submitted at the end of February 2020. Twelve organizations responded and six were selected as finalists. The six shortlisted firms will be scored on the basis of reference checks and presentations and cost proposals which will result in a finalist to be recommended for award. Finalist presentations are scheduled for Friday, October 2, 2020, from 9am - 4pm in the Commissioner Meeting Room. Board members may attend as observers either in person or via WebEx.

6. ADJOURN

A. Motion to adjourn the meeting.

Motion by Mary Ann Murray, second by Jeannett Cudmore. Final Resolution: Motion Carries
Yea: Mary Ann Murray, Commissioner Michael L Hewitt, Jeannett Cudmore, Dr Rebecca Bridgett, Catherine Pratson

Minutes approved by the OPEB Board on: 12/4/2020